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FROM : Amembassy BENGHAZI

TO : THE DEPARTMENT OF STATE, WASHINGTON.

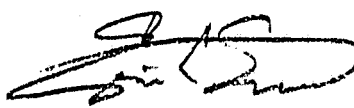
REF : Embassy Telegram No. 255, November 29, 1958

67 For Dept. Use Only	ACTION	DEPT.
	REC'D	INFO OTHER
	12/8	Rm. R-2 W-2 E-7 IRC-8 L-2 ICA-10 W/MSC-1 CIA-12 USA-14 Com-10 TR-3 ASD-4 PRM-4

SUBJECT: Transmitting Libyan Note Requesting Revision of Agreements Governing Administration of U.S. Economic Assistance 773.5 MSP/11-29 58

There is enclosed an English translation of the Libyan Note dated November 18, 1958, requesting the United States Government to enter into discussions with a view to revising certain of the agreements relating to the administration of United States economic assistance to Libya. The Government of Libya considers such action necessary in connection with its decision to amend the present laws governing the administration and utilization of economic aid, and to create one central body to define and execute development policy. A copy of the Embassy's reply also is enclosed.

For the Ambassador:


Edwin L. Smith
Counselor of Embassy

2 Enclosures:

As Stated.

DEPARTMENT OF STATE A/OSC/IR	
RECEIVED BY	J. M. Razi
DATE	May 6, 1982
✓	

Copies sent to Tripoli (2)

ELSmith:cs
REPORTER

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Encl. No. 2

Disp. No. 97

From Benghazi

C-O-P-Y

Benghazi, November 28, 1958.

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note of November 18, 1958, No. 392/1/10/1, concerning the intention of the Government of Libya to amend the laws now in force regarding the administration and use of economic aid granted to Libya by the United Nations and friendly states, principally the United States of America, and proposing that the Government of the United States enter into discussions having as their objective a review of the agreements relating to the administration of U.S. economic assistance to Libya, in accordance with the objectives stated in the note under reference. I am pleased to be able to inform Your Excellency that my Government stands ready to enter into such discussions at any time.

I find that Mr. Marcus J. Gordon, the Director of the United States Operations Mission, already has been in touch with Mr. Abd ar-Razeq Shaglouf, Under Secretary of Finance, regarding this matter and has written to him a series of letters discussing the proposed reorganization of the aid agencies and expressing the official concurrence of the U.S. Government, in principle, to the general outline of the pertinent draft legislation. Mr. Gordon's last letter on this subject was sent to Mr. Shaglouf under date of November 17, 1958, just before Your Excellency handed me the Government of Libya's note on this subject.

In his letter of August 21, 1958, Mr. Gordon urged that we plan now for a transfer of Joint Service aid activities to regular Libyan Government agencies. In a further letter to Mr. Shaglouf dated September 13, official concurrence of the United States Government to the phasing out of the Joint Service was indicated. On November 17, 1958, certain other views on the proposed draft law were expressed and the suggestion was made that a Libyan-American committee be established to consider a series of individual reorganization problems. These letters followed extensive discussions had by Mr. Gordon with Mr. Shaglouf and certain Cabinet Ministers at the beginning of the year.

I am enclosing, for Your Excellency's information, copies in English and Arabic of the three letters mentioned above.

Accept, Excellency, the renewed assurances of my highest consideration.

/s/ J. Wesley Jones

His Excellency

Abd al-Majid Kubar,

Prime Minister and Minister of Foreign Affairs
of the United Kingdom of Libya,
Benghazi.

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TRANSLATION

The United Kingdom of Libya
The Ministry of Foreign Affairs

No. 392/1/10/1

November 18th, 1958

Excellency:

The Government of Libya has already informed Your Excellency of its desire to amend the laws presently in force regarding the administration and the utilization of economic aid granted Libya by the United Nations and by friendly states, among which the United States occupies a major position.

The special circumstances which accompanied the birth of the state of Libya have meant that the United Nations and many member states have had to shoulder the responsibility of assisting Libya in its economic and social progress. Several agencies and organizations were established for the purpose of providing technical assistance and the necessary financing needed for Libya's economic and social evolution. The Development and Stabilization Agency and the Libyan Financial Corporation were established following the recommendations of United Nations specialists; the necessary legislation pertinent to these was framed before the independence of Libya. The United Nations' mission and its specialized agencies, namely the FAO, UNESCO, WHO, and the ILO, were also established in Libya. When the Government of the United States decided to provide Libya with economic aid, LAJS, LARC, and USOM were set up.

This is in addition to the projects and works directly carried out and financed by the Federal Government and the Provinces when the implementation of such projects and works is deemed necessary.

The multiplicity of establishments and procedures for the realization of identical aims and objectives has created confusion and increased expenditure. It also has complicated the procedure at a time when the country needs simplification and more expeditious action so that it may be able to carry out vital projects of which it is in great need.

Long experience has shown the necessity of a fundamental amendment of methods and procedures relating to the provision of economic and social assistance to Libya. This has prompted the Government of Libya to draft a bill aiming at the establishment of one central body which would define and execute more expeditiously and more forcefully an economic development policy.

Because the pertinent legislation and the activities of the agencies and organizations concerned with economic and social progress in Libya are based on agreements concluded with foreign states, the entrance into effect of new legislation aiming at administering and utilizing foreign economic assistance requires the holding of discussions with the Governments concerned. The Government of Libya proposes, therefore, that the Government of the United States enter into discussions having as their objective a review of the agreements relating to American economic assistance to Libya in accordance with the reasons and objectives mentioned.

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Pray accept, Excellency, my highest considerations.

/s/ Abd al Majid Kubar
Prime Minister and Minister of Foreign Affairs

His Excellency
Mr. J. Wesley Jones,
Ambassador of the USA in Libya,
Benghazi.

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